

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, DC 20202

INFORMATION MEMORANDUM
RSA-IM-98-16
DATE: July 7, 1998

ADDRESSEES: STATE VOCATIONAL REHABILITATION AGENCIES (GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
STATE REHABILITATION ADVISORY COUNCILS
CLIENT ASSISTANCE PROGRAMS
REGIONAL REHABILITATION CONTINUING EDUCATION
PROGRAMS
AMERICAN INDIAN VOCATIONAL REHABILITATION
PROGRAMS
RSA SENIOR MANAGEMENT TEAM

SUBJECT: Self-Employment

BACKGROUND: Attached are three papers that describe the implementation of self-employment as experienced by four of the Choice Demonstration Projects. The three papers are separate papers, originating from different projects, with different experiences, within different contexts.

None of the projects initially planned to focus on self-employment, nor did they have all of the necessary expertise to provide effective self-employment services. However, as more participants requested self-employment, project staff began to explore the feasibility of offering self-employment as an option. As a result, selfemployment outcomes are higher among choice projects than within the State vocational rehabilitation program. Choice was the driving force in this growth.

Although conventional wisdom holds that half of all new businesses fail in the first year, recent research has shown this conventional wisdom to be false. Previous studies failed to take into account closure of businesses due to retirement, changes in ownership, sale, or incorporation. Proper accounting for these types of closures results in a corrected failure rate of only twenty percent over the first eight years. (See articles by Aley, Duncan, and Magelsdorf in the reference lists of the attached papers.)

To effectively provide VR services leading to a self-employment outcome, the choice projects researched conventional wisdom, addressed policy issues, explored ways to acquire necessary technical expertise, assisted individuals in accessing financial resources, and reshaped the role of the counselor and the agency in these efforts. The projects have also tackled the difficult question of how to determine when an individual involved in self-employment has reached an employment outcome.

CONTENT:

The Option of Becoming Self-Employed: an Emerging Reality Within Vermont Vocational Rehabilitation is written by Michael Collins, Director of the Vermont Consumer Choice Project, Vermont Division of Vocational Rehabilitation. The paper reports specifically on Vermont's experience and covers: policy changes; role changes for the agency, counselor, and consumer; non-traditional partnerships developed by the project to provide technical assistance and support for counselors and entrepreneurs; accessing existing community financial and technical assistance resources; documenting indicators of employment outcomes and economic stability for individuals who pursue self-employment; and programmatic data about self-employment in Vermont, including business demographics, characteristics of entrepreneurs, and unexpected outcomes.

Innovation, Entrepreneurship, and Rehabilitation: A Good Partnership for the Twenty-First Century is jointly authored by Nancy Sullivan, Consultant to the Commitment to Client choice Project, Arkansas Rehabilitation Services, and Abby Cooper, Director of the Participant Empowerment Project, Washington Division of Vocational Rehabilitation. The paper combines general information about implementing self-employment with specific project experiences and covers evaluating an individual's abilities and his/her need for services and supports related to self-employment; questionnaires used by the two projects to gather initial assessment information, gather initial assessment information; factors to be addressed when developing an individual's specific employment plan; recommendations for state agencies interested in providing self-employment services considerations for developing qualitative outcome measures; and individualized data on self-employment outcomes from the two projects.

Expanding Small Business and Self-Employment opportunities is by Larry Watson, Executive Director, and Terry Herkimer, Project Manager, Client Enhancement and Empowerment Project, Berkeley Center for Independent Living. The authors advocate for use of self-employment as one way to reduce barriers to employment of individuals with disabilities and discuss: expertise needed by the counselor; developing community resources for assisting individuals desiring self-employment; the role of independent living centers in fostering self-employment; the content of an effective business plan;

- measures for determining successful selfemployment outcomes; and
- programmatic data on self-employment outcomes from the project.

The opinions expressed in the papers are those of the project directors and not necessarily those of RSA. The papers are being disseminated as part of RSA's efforts to facilitate the exchange of information about informed choice between the Choice Projects, State vocational rehabilitation agencies, and other relevant parties.

INQUIRIES: Each paper provides contact information for the authors. Within the Rehabilitation Services Administration, for matters related to informed choice, the contact person is Suzanne Tillman at 202-205-8303.

Fredric K. Schroeder, Ph.D.
Commissioner

cc: NCIL
CSAVR
NAPAS
RSA Regional Offices
(Regions II, IV, V, VIII, and X)